

AMENDED IN ASSEMBLY APRIL 29, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1277

**Introduced by Assembly Member Brough
(Coauthor: Assembly Member Holden)**

February 27, 2015

An act to amend Sections 7094, 9272, 30459.2, 32472, 40212, 41172, 43523, 45868, 46623, 50156.12, 55333, and 60632 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1277, as amended, Brough. Tax administration: Taxpayers' Rights Advocate: levy or notice to withhold: return of funds.

Under the Sales and Use Tax Law, the Use Fuel Tax Law, the Alcoholic Beverage Tax Law, the Energy Resources Surcharge Law, the Emergency Telephone Users Surcharge Act, the Hazardous Substances Tax Law, the Integrated Waste Management Fee Law, the Oil Spill Response, Prevention, and Administration Fees Law, the Underground Storage Tank Maintenance Fee Law, and the Diesel Fuel Tax Law, the Taxpayers' Rights Advocate is authorized to order, within 90 days of the receipt of funds pursuant to a levy or notice to withhold, the return of any amount not exceeding \$1,500, upon a finding that the levy or notice to withhold threatens the health or welfare of the taxpayer, or his or her spouse and dependents or family. Under those laws, if the State Board of Equalization believes that the collection of any amount of tax imposed by those laws will be jeopardized by delay, the board

is required to make a determination of the amount of tax, which is immediately due and payable.

This bill would increase, under each of those laws the amount the Taxpayers' Rights Advocate is authorized to order returned to a taxpayer to \$2,300 in any monthly period, and would authorize this amount to be adjusted for inflation, as provided. This bill would also authorize the Taxpayers' Rights Advocate to order amounts returned in the case of a seizure of property as a result of a jeopardy—~~assessment~~ *determination*, as specified.

Under the Cigarette and Tobacco Products Law and the Fee Collection Procedures Law, the Taxpayers' Rights Advocate is authorized to order the release of a levy or notice to withhold upon his or her finding that the levy or notice to withhold threatens the health or welfare of the taxpayer, or his or her spouse and dependents or family. Under those laws, if the State Board of Equalization believes that the collection of any amount of tax imposed by those laws will be jeopardized by delay, the board is required to make a determination of the amount of tax, which is immediately due and payable.

This bill would additionally authorize the Taxpayers' Rights Advocate to order, within 90 days of the receipt of funds pursuant to a levy or notice to withhold, the return of any amount not exceeding \$2,300 in any monthly period, upon a finding that the levy or notice to withhold threatens the health or welfare of the taxpayer, or his or her spouse and dependents or family, and would authorize this amount to be adjusted for inflation, as provided. This bill would also authorize the Taxpayers' Rights Advocate to order amounts returned in the case of a seizure of property as a result of a jeopardy—~~assessment~~ *determination*, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7094 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 7094. (a) The board shall release any levy or notice to withhold
- 4 issued pursuant to this part on any property in the event that the
- 5 expense of the sale process exceeds the liability for which the levy
- 6 is made.
- 7 (b) (1) (A) The Taxpayers' Rights Advocate may order the
- 8 release of any levy or notice to withhold issued pursuant to this

part or, within 90 days from the receipt of funds pursuant to a levy or notice to withhold, order the return of any amount up to two thousand three hundred dollars (\$2,300) of moneys received, upon his or her finding that the levy or notice to withhold threatens the health or welfare of the taxpayer or his or her spouse and dependents or family.

(B) The amount the Taxpayers' Rights Advocate may release or return to each taxpayer subject to a levy or notice to withhold, is limited to two thousand three hundred dollars (\$2,300), or the adjusted amount as specified in paragraph (2), in any monthly period.

~~Notwithstanding subdivision (d), the~~ (C) The Taxpayers' Rights Advocate may order amounts returned in the case of a seizure of property as a result of a jeopardy ~~assessment~~ *determination*, subject to the amounts set or adjusted pursuant to this section *and if the ultimate collection of the amount due is no longer in jeopardy*.

(2) (A) The board shall adjust the two-thousand-three-hundred-dollar (\$2,300) amount specified in paragraph (1) as follows:

(i) On or before March 1, 2016, and on or before March 1 each year thereafter, the board shall multiply the amount applicable for the current fiscal year by the inflation factor adjustment calculated based on the percentage change in the Consumer Price Index, as recorded by the California Department of Industrial Relations for the most recent year available, and the formula set forth in paragraph (2) of subdivision (h) of Section 17041. The resulting amount will be the applicable amount for the succeeding fiscal year only when the applicable amount computed is equal to or exceeds a new operative threshold, as defined in subparagraph (B).

(ii) When the applicable amount equals or exceeds an operative threshold specified in subparagraph (B), the resulting applicable amount, rounded to the nearest multiple of one hundred dollars (\$100), shall be operative for purposes of paragraph (1) beginning July 1 of the succeeding fiscal year.

(B) For purposes of this paragraph, "operative threshold" means an amount that exceeds by at least one hundred dollars (\$100) the greater of either the amount specified in paragraph (1) or the amount computed pursuant to subparagraph (A) as the operative adjustment to the amount specified in paragraph (1).

1 (c) The board shall not sell any seized property until it has first
2 notified the taxpayer in writing of the exemptions from levy under
3 Chapter 4 (commencing with Section 703.010) of Title 9 of the
4 Code of Civil Procedure.

5 (d) Except as provided in subparagraph (C) of paragraph (1) of
6 subdivision (b), this section shall not apply to the seizure of any
7 property as a result of a jeopardy-assessment *determination*.

8 SEC. 2. Section 9272 of the Revenue and Taxation Code is
9 amended to read:

10 9272. (a) The board shall release any levy or notice to withhold
11 issued pursuant to this part on any property in the event that the
12 expense of the sale process exceeds the liability for which the levy
13 is made.

14 (b) (1) (A) The Taxpayers' Rights Advocate may order the
15 release of any levy or notice to withhold issued pursuant to this
16 part or, within 90 days from the receipt of funds pursuant to a levy
17 or notice to withhold, order the return of any amount up to two
18 thousand three hundred dollars (\$2,300) of moneys received, upon
19 his or her finding that the levy or notice to withhold threatens the
20 health or welfare of the taxpayer or his or her spouse and
21 dependents or family.

22 (B) The amount the Taxpayers' Rights Advocate may release
23 or return to each taxpayer subject to a levy or notice to withhold,
24 is limited to two thousand three hundred dollars (\$2,300), or the
25 adjusted amount as specified in paragraph (2), in any monthly
26 period.

27 ~~(C) Notwithstanding subdivision (d), the~~ The Taxpayers' Rights
28 Advocate may order amounts returned in the case of a seizure of
29 property as a result of a jeopardy-assessment *determination*, subject
30 to the amounts set or adjusted pursuant to this section *and if the*
31 *ultimate collection of the amount due is no longer in jeopardy*.

32 (2) (A) The board shall adjust the
33 two-thousand-three-hundred-dollar (\$2,300) amount specified in
34 paragraph (1) as follows:

35 (i) On or before March 1, 2016, and on or before March 1 each
36 year thereafter, the board shall multiply the amount applicable for
37 the current fiscal year by the inflation factor adjustment calculated
38 based on the percentage change in the Consumer Price Index, as
39 recorded by the California Department of Industrial Relations for
40 the most recent year available, and the formula set forth in

1 paragraph (2) of subdivision (h) of Section 17041. The resulting
2 amount will be the applicable amount for the succeeding fiscal
3 year only when the applicable amount computed is equal to or
4 exceeds a new operative threshold, as defined in subparagraph
5 (B).

6 (ii) When the applicable amount equals or exceeds an operative
7 threshold specified in subparagraph (B), the resulting applicable
8 amount, rounded to the nearest multiple of one hundred dollars
9 (\$100), shall be operative for purposes of paragraph (1) beginning
10 July 1 of the succeeding fiscal year.

11 (B) For purposes of this paragraph, “operative threshold” means
12 an amount that exceeds by at least one hundred dollars (\$100) the
13 greater of either the amount specified in paragraph (1) or the
14 amount computed pursuant to subparagraph (A) as the operative
15 adjustment to the amount specified in paragraph (1).

16 (c) The board shall not sell any seized property until it has first
17 notified the taxpayer in writing of the exemptions from levy under
18 Chapter 4 (commencing with Section 703.010) of Division 2 of
19 Title 9 of Part 2 of the Code of Civil Procedure.

20 (d) Except as provided in subparagraph (C) of paragraph (1) of
21 subdivision (b), this section shall not apply to the seizure of any
22 property as a result of a jeopardy ~~assessment~~ *determination*.

23 SEC. 3. Section 30459.2 of the Revenue and Taxation Code
24 is amended to read:

25 30459.2. (a) The board shall release any levy or notice to
26 withhold issued pursuant to this part on any property in the event
27 that the expense of the sale process exceeds the liability for which
28 the levy is made.

29 (b) (1) (A) The Taxpayers’ Rights Advocate may order the
30 release of any levy or notice to withhold issued pursuant to this
31 part or, within 90 days from the receipt of funds pursuant to a levy
32 or notice to withhold, order the return of any amount up to two
33 thousand three hundred dollars (\$2,300) of moneys received, upon
34 his or her finding that the levy or notice to withhold threatens the
35 health or welfare of the taxpayer or his or her spouse and
36 dependents or family.

37 (B) The amount the Taxpayers’ Rights Advocate may release
38 or return to each taxpayer subject to a levy or notice to withhold,
39 is limited to two thousand three hundred dollars (\$2,300), or the

1 adjusted amount as specified in paragraph (2), in any monthly
2 period.

3 ~~(C) Notwithstanding subdivision (d), the~~ *The Taxpayers' Rights*
4 Advocate may order amounts returned in the case of a seizure of
5 property as a result of a jeopardy-assessment *determination*, subject
6 to the amounts set or adjusted pursuant to this section *and if the*
7 *ultimate collection of the amount due is no longer in jeopardy.*

8 (2) (A) The board shall adjust the
9 two-thousand-three-hundred-dollar (\$2,300) amount specified in
10 paragraph (1) as follows:

11 (i) On or before March 1, 2016, and on or before March 1 each
12 year thereafter, the board shall multiply the amount applicable for
13 the current fiscal year by the inflation factor adjustment calculated
14 based on the percentage change in the Consumer Price Index, as
15 recorded by the California Department of Industrial Relations for
16 the most recent year available, and the formula set forth in
17 paragraph (2) of subdivision (h) of Section 17041. The resulting
18 amount will be the applicable amount for the succeeding fiscal
19 year only when the applicable amount computed is equal to or
20 exceeds a new operative threshold, as defined in subparagraph
21 (B).

22 (ii) When the applicable amount equals or exceeds an operative
23 threshold specified in subparagraph (B), the resulting applicable
24 amount, rounded to the nearest multiple of one hundred dollars
25 (\$100), shall be operative for purposes of paragraph (1) beginning
26 July 1 of the succeeding fiscal year.

27 (B) For purposes of this paragraph, "operative threshold" means
28 an amount that exceeds by at least one hundred dollars (\$100) the
29 greater of either the amount specified in paragraph (1) or the
30 amount computed pursuant to subparagraph (A) as the operative
31 adjustment to the amount specified in paragraph (1).

32 (c) The board shall not sell any seized property until it has first
33 notified the taxpayer in writing of the exemptions from levy under
34 Chapter 4 (commencing with Section 703.010) of Division 2 of
35 Title 9 of Part 2 of the Code of Civil Procedure.

36 (d) Except as provided in subparagraph (c) of paragraph (1) of
37 subdivision (b), this section shall not apply to the seizure of any
38 property as a result of a jeopardy-assessment *determination*.

39 SEC. 4. Section 32472 of the Revenue and Taxation Code is
40 amended to read:

1 32472. (a) The board shall release any levy or notice to
2 withhold issued pursuant to this part on any property in the event
3 that the expense of the sale process exceeds the liability for which
4 the levy is made.

5 (b) (1) (A) The Taxpayers' Rights Advocate may order the
6 release of any levy or notice to withhold issued pursuant to this
7 part or, within 90 days from the receipt of funds pursuant to a levy
8 or notice to withhold, order the return of any amount up to two
9 thousand three hundred dollars (\$2,300) of moneys received, upon
10 his or her finding that the levy or notice to withhold threatens the
11 health or welfare of the taxpayer or his or her spouse and
12 dependents or family.

13 (B) The amount the Taxpayers' Rights Advocate may release
14 or return to each taxpayer subject to a levy or notice to withhold,
15 is limited to two thousand three hundred dollars (\$2,300), or the
16 adjusted amount as specified in paragraph (2), in any monthly
17 period.

18 ~~(C) Notwithstanding subdivision (d), the~~ The Taxpayers' Rights
19 Advocate may order amounts returned in the case of a seizure of
20 property as a result of a jeopardy ~~assessment~~ *determination*, subject
21 to the amounts set or adjusted pursuant to this section *and if the*
22 *ultimate collection of the amount due is no longer in jeopardy.*

23 (2) (A) The board shall adjust the
24 two-thousand-three-hundred-dollar (\$2,300) amount specified in
25 paragraph (1) as follows:

26 (i) On or before March 1, 2016, and on or before March 1 each
27 year thereafter, the board shall multiply the amount applicable for
28 the current fiscal year by the inflation factor adjustment calculated
29 based on the percentage change in the Consumer Price Index, as
30 recorded by the California Department of Industrial Relations for
31 the most recent year available, and the formula set forth in
32 paragraph (2) of subdivision (h) of Section 17041. The resulting
33 amount will be the applicable amount for the succeeding fiscal
34 year only when the applicable amount computed is equal to or
35 exceeds a new operative threshold, as defined in subparagraph
36 (B).

37 (ii) When the applicable amount equals or exceeds an operative
38 threshold specified in subparagraph (B), the resulting applicable
39 amount, rounded to the nearest multiple of one hundred dollars

1 (\$100), shall be operative for purposes of paragraph (1) beginning
2 July 1 of the succeeding fiscal year.

3 (B) For purposes of this paragraph, “operative threshold” means
4 an amount that exceeds by at least one hundred dollars (\$100) the
5 greater of either the amount specified in paragraph (1) or the
6 amount computed pursuant to subparagraph (A) as the operative
7 adjustment to the amount specified in paragraph (1).

8 (c) The board shall not sell any seized property until it has first
9 notified the taxpayer in writing of the exemptions from levy under
10 Chapter 4 (commencing with Section 703.010) of Division 2 of
11 Title 9 of Part 2 of the Code of Civil Procedure.

12 (d) Except as provided in subparagraph (C) of paragraph (1) of
13 subdivision (b), this section shall not apply to the seizure of any
14 property as a result of a jeopardy-assessment *determination*.

15 SEC. 5. Section 40212 of the Revenue and Taxation Code is
16 amended to read:

17 40212. (a) The board shall release any levy or notice to
18 withhold issued pursuant to this part on any property in the event
19 that the expense of the sale process exceeds the liability for which
20 the levy is made.

21 (b) (1) (A) The Taxpayers’ Rights Advocate may order the
22 release of any levy or notice to withhold issued pursuant to this
23 part or, within 90 days from the receipt of funds pursuant to a levy
24 or notice to withhold, order the return of any amount up to two
25 thousand three hundred dollars (\$2,300) of moneys received, upon
26 his or her finding that the levy or notice to withhold threatens the
27 health or welfare of the taxpayer or his or her spouse and
28 dependents or family.

29 (B) The amount the Taxpayers’ Rights Advocate may release
30 or return to each taxpayer subject to a levy or notice to withhold,
31 is limited to two thousand three hundred dollars (\$2,300), or the
32 adjusted amount as specified in paragraph (2), in any monthly
33 period.

34 (C) ~~Notwithstanding subdivision (d), the~~ The Taxpayers’ Rights
35 Advocate may order amounts returned in the case of a seizure of
36 property as a result of a jeopardy-assessment *determination*, subject
37 to the amounts set or adjusted pursuant to this section *and if the*
38 *ultimate collection of the amount due is no longer in jeopardy.*

1 (2) (A) The board shall adjust the
2 two-thousand-three-hundred-dollar (\$2,300) amount specified in
3 paragraph (1) as follows:

4 (i) On or before March 1, 2016, and on or before March 1 each
5 year thereafter, the board shall multiply the amount applicable for
6 the current fiscal year by the inflation factor adjustment calculated
7 based on the percentage change in the Consumer Price Index, as
8 recorded by the California Department of Industrial Relations for
9 the most recent year available, and the formula set forth in
10 paragraph (2) of subdivision (h) of Section 17041. The resulting
11 amount will be the applicable amount for the succeeding fiscal
12 year only when the applicable amount computed is equal to or
13 exceeds a new operative threshold, as defined in subparagraph
14 (B).

15 (ii) When the applicable amount equals or exceeds an operative
16 threshold specified in subparagraph (B), the resulting applicable
17 amount, rounded to the nearest multiple of one hundred dollars
18 (\$100), shall be operative for purposes of paragraph (1) beginning
19 July 1 of the succeeding fiscal year.

20 (B) For purposes of this paragraph, “operative threshold” means
21 an amount that exceeds by at least one hundred dollars (\$100) the
22 greater of either the amount specified in paragraph (1) or the
23 amount computed pursuant to subparagraph (A) as the operative
24 adjustment to the amount specified in paragraph (1).

25 (c) The board shall not sell any seized property until it first has
26 notified the taxpayer in writing of the exemptions from levy under
27 Chapter 4 (commencing with Section 703.010) of Division 2 of
28 Title 9 of Part 2 of the Code of Civil Procedure.

29 (d) Except as provided in subparagraph (C) of paragraph (1) of
30 subdivision (b), this section shall not apply to the seizure of any
31 property as a result of a jeopardy-assessment *determination*.

32 SEC. 6. Section 41172 of the Revenue and Taxation Code is
33 amended to read:

34 41172. (a) The board shall release any levy or notice to
35 withhold issued pursuant to this part on any property in the event
36 that the expense of the sale process exceeds the liability for which
37 the levy is made.

38 (b) (1) (A) The Taxpayers’ Rights Advocate may order the
39 release of any levy or notice to withhold issued pursuant to this
40 part or, within 90 days from the receipt of funds pursuant to a levy

1 or notice to withhold, order the return of any amount up to two
2 thousand three hundred dollars (\$2,300) of moneys received, upon
3 his or her finding that the levy or notice to withhold threatens the
4 health or welfare of the taxpayer or his or her spouse and
5 dependents or family.

6 (B) The amount the Taxpayers' Rights Advocate may release
7 or return to each taxpayer subject to a levy or notice to withhold,
8 is limited to two thousand three hundred dollars (\$2,300), or the
9 adjusted amount as specified in paragraph (2), in any monthly
10 period.

11 ~~(C) Notwithstanding subdivision (d), the~~ The Taxpayers' Rights
12 Advocate may order amounts returned in the case of a seizure of
13 property as a result of a jeopardy ~~assessment~~ *determination*, subject
14 to the amounts set or adjusted pursuant to this section *and if the*
15 *ultimate collection of the amount due is no longer in jeopardy.*

16 (2) (A) The board shall adjust the
17 two-thousand-three-hundred-dollar (\$2,300) amount specified in
18 paragraph (1) as follows:

19 (i) On or before March 1, 2016, and on or before March 1 each
20 year thereafter, the board shall multiply the amount applicable for
21 the current fiscal year by the inflation factor adjustment calculated
22 based on the percentage change in the Consumer Price Index, as
23 recorded by the California Department of Industrial Relations for
24 the most recent year available, and the formula set forth in
25 paragraph (2) of subdivision (h) of Section 17041. The resulting
26 amount will be the applicable amount for the succeeding fiscal
27 year only when the applicable amount computed is equal to or
28 exceeds a new operative threshold, as defined in subparagraph
29 (B).

30 (ii) When the applicable amount equals or exceeds an operative
31 threshold specified in subparagraph (B), the resulting applicable
32 amount, rounded to the nearest multiple of one hundred dollars
33 (\$100), shall be operative for purposes of paragraph (1) beginning
34 July 1 of the succeeding fiscal year.

35 (B) For purposes of this paragraph, "operative threshold" means
36 an amount that exceeds by at least one hundred dollars (\$100) the
37 greater of either the amount specified in paragraph (1) or the
38 amount computed pursuant to subparagraph (A) as the operative
39 adjustment to the amount specified in paragraph (1).

1 (c) The board shall not sell any seized property until it has first
2 notified the taxpayer in writing of the exemptions from levy under
3 Chapter 4 (commencing with Section 703.010) of Division 2 of
4 Title 9 of Part 2 of the Code of Civil Procedure.

5 (d) Except as provided in subparagraph (C) of paragraph (1) of
6 subdivision (b), this section shall not apply to the seizure of any
7 property as a result of a jeopardy-assessment *determination*.

8 SEC. 7. Section 43523 of the Revenue and Taxation Code is
9 amended to read:

10 43523. (a) The board shall release any levy or notice to
11 withhold issued pursuant to this part on any property in the event
12 that the expense of the sale process exceeds the liability for which
13 the levy is made.

14 (b) (1) (A) The Taxpayers' Rights Advocate may order the
15 release of any levy or notice to withhold issued pursuant to this
16 part or, within 90 days from the receipt of funds pursuant to a levy
17 or notice to withhold, order the return of any amount up to two
18 thousand three hundred dollars (\$2,300) of moneys received, upon
19 his or her finding that the levy or notice to withhold threatens the
20 health or welfare of the taxpayer or his or her spouse and
21 dependents or family.

22 (B) The amount the Taxpayers' Rights Advocate may release
23 or return to each taxpayer subject to a levy or notice to withhold,
24 is limited to two thousand three hundred dollars (\$2,300), or the
25 adjusted amount as specified in paragraph (2), in any monthly
26 period.

27 ~~(C) Notwithstanding subdivision (d), the~~ The Taxpayers' Rights
28 Advocate may order amounts returned in the case of a seizure of
29 property as a result of a jeopardy-assessment *determination*, subject
30 to the amounts set or adjusted pursuant to this section *and if the*
31 *ultimate collection of the amount due is no longer in jeopardy*.

32 (2) (A) The board shall adjust the
33 two-thousand-three-hundred-dollar (\$2,300) amount specified in
34 paragraph (1) as follows:

35 (i) On or before March 1, 2016, and on or before March 1 each
36 year thereafter, the board shall multiply the amount applicable for
37 the current fiscal year by the inflation factor adjustment calculated
38 based on the percentage change in the Consumer Price Index, as
39 recorded by the California Department of Industrial Relations for
40 the most recent year available, and the formula set forth in

1 paragraph (2) of subdivision (h) of Section 17041. The resulting
2 amount will be the applicable amount for the succeeding fiscal
3 year only when the applicable amount computed is equal to or
4 exceeds a new operative threshold, as defined in subparagraph
5 (B).

6 (ii) When the applicable amount equals or exceeds an operative
7 threshold specified in subparagraph (B), the resulting applicable
8 amount, rounded to the nearest multiple of one hundred dollars
9 (\$100), shall be operative for purposes of paragraph (1) beginning
10 July 1 of the succeeding fiscal year.

11 (B) For purposes of this paragraph, “operative threshold” means
12 an amount that exceeds by at least one hundred dollars (\$100) the
13 greater of either the amount specified in paragraph (1) or the
14 amount computed pursuant to subparagraph (A) as the operative
15 adjustment to the amount specified in paragraph (1).

16 (c) The board shall not sell any seized property until it has first
17 notified the taxpayer in writing of the exemptions from levy under
18 Chapter 4 (commencing with Section 703.010) of Division 2 of
19 Title 9 of Part 2 of the Code of Civil Procedure.

20 (d) Except as provided in subparagraph (C) of paragraph (1) of
21 subdivision (b), this section shall not apply to the seizure of any
22 property as a result of a jeopardy ~~assessment~~ *determination*.

23 SEC. 8. Section 45868 of the Revenue and Taxation Code is
24 amended to read:

25 45868. (a) The board shall release any levy or notice to
26 withhold issued pursuant to this part on any property in the event
27 that the expense of the sale process exceeds the liability for which
28 the levy is made.

29 (b) (1) (A) The Taxpayers’ Rights Advocate may order the
30 release of any levy or notice to withhold issued pursuant to this
31 part or, within 90 days from the receipt of funds pursuant to a levy
32 or notice to withhold, order the return of any amount up to two
33 thousand three hundred dollars (\$2,300) of moneys received, upon
34 his or her finding that the levy or notice to withhold threatens the
35 health or welfare of the feepayer or his or her spouse and
36 dependents or family.

37 (B) The amount the Taxpayers’ Rights Advocate may release
38 or return to each taxpayer subject to a levy or notice to withhold,
39 is limited to two thousand three hundred dollars (\$2,300), or the

adjusted amount as specified in paragraph (2), in any monthly period.

(C) ~~Notwithstanding subdivision (d), the~~ The Taxpayers' Rights Advocate may order amounts returned in the case of a seizure of property as a result of a jeopardy-assessment *determination*, subject to the amounts set or adjusted pursuant to this section *and if the ultimate collection of the amount due is no longer in jeopardy*.

(2) (A) The board shall adjust the two-thousand-three-hundred-dollar (\$2,300) amount specified in paragraph (1) as follows:

(i) On or before March 1, 2016, and on or before March 1 each year thereafter, the board shall multiply the amount applicable for the current fiscal year by the inflation factor adjustment calculated based on the percentage change in the Consumer Price Index, as recorded by the California Department of Industrial Relations for the most recent year available, and the formula set forth in paragraph (2) of subdivision (h) of Section 17041. The resulting amount will be the applicable amount for the succeeding fiscal year only when the applicable amount computed is equal to or exceeds a new operative threshold, as defined in subparagraph (B).

(ii) When the applicable amount equals or exceeds an operative threshold specified in subparagraph (B), the resulting applicable amount, rounded to the nearest multiple of one hundred dollars (\$100), shall be operative for purposes of paragraph (1) beginning July 1 of the succeeding fiscal year.

(B) For purposes of this paragraph, "operative threshold" means an amount that exceeds by at least one hundred dollars (\$100) the greater of either the amount specified in paragraph (1) or the amount computed pursuant to subparagraph (A) as the operative adjustment to the amount specified in paragraph (1).

(c) The board shall not sell any seized property until it has first notified the feepayer in writing of the exemptions from levy under Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(d) Except as provided in subparagraph (C) of paragraph (1) of subdivision (b), this section shall not apply to the seizure of any property as a result of a jeopardy-assessment *determination*.

SEC. 9. Section 46623 of the Revenue and Taxation Code is amended to read:

1 46623. (a) The board shall release any levy or notice to
2 withhold issued pursuant to this part on any property in the event
3 the expense of the sale process exceeds the liability for which the
4 levy is made.

5 (b) (1) (A) The Taxpayers' Rights Advocate may order the
6 release of any levy or notice to withhold issued pursuant to this
7 part or, within 90 days from the receipt of the funds pursuant to a
8 levy or the notice to withhold, may order the return of any amount
9 up to two thousand three hundred dollars (\$2,300) of moneys
10 received, upon his or her finding that the levy or notice to withhold
11 threatens the health or welfare of the feepayer or his or her spouse
12 and dependents.

13 (B) The amount the Taxpayers' Rights Advocate may release
14 or return to each taxpayer subject to a levy or notice to withhold,
15 is limited to two thousand three hundred dollars (\$2,300), or the
16 adjusted amount as specified in paragraph (2), in any monthly
17 period.

18 ~~(C) Notwithstanding subdivision (d), the~~ The Taxpayers' Rights
19 Advocate may order amounts returned in the case of a seizure of
20 property as a result of a jeopardy ~~assessment~~ *determination*, subject
21 to the amounts set or adjusted pursuant to this section *and if the*
22 *ultimate collection of the amount due is no longer in jeopardy.*

23 (2) (A) The board shall adjust the
24 two-thousand-three-hundred-dollar (\$2,300) amount specified in
25 paragraph (1) as follows:

26 (i) On or before March 1, 2016, and on or before March 1 each
27 year thereafter, the board shall multiply the amount applicable for
28 the current fiscal year by the inflation factor adjustment calculated
29 based on the percentage change in the Consumer Price Index, as
30 recorded by the California Department of Industrial Relations for
31 the most recent year available, and the formula set forth in
32 paragraph (2) of subdivision (h) of Section 17041. The resulting
33 amount will be the applicable amount for the succeeding fiscal
34 year only when the applicable amount computed is equal to or
35 exceeds a new operative threshold, as defined in subparagraph
36 (B).

37 (ii) When the applicable amount equals or exceeds an operative
38 threshold specified in subparagraph (B), the resulting applicable
39 amount, rounded to the nearest multiple of one hundred dollars

1 (\$100), shall be operative for purposes of paragraph (1) beginning
2 July 1 of the succeeding fiscal year.

3 (B) For purposes of this paragraph, “operative threshold” means
4 an amount that exceeds by at least one hundred dollars (\$100) the
5 greater of either the amount specified in paragraph (1) or the
6 amount computed pursuant to subparagraph (A) as the operative
7 adjustment to the amount specified in paragraph (1).

8 (c) The board shall not sell any seized property until it has first
9 notified the taxpayer in writing of the exemptions from levy under
10 Chapter 4 (commencing with Section 703.010) of Division 2 of
11 Title 9 of Part 2 of the Code of Civil Procedure.

12 (d) Except as provided in subparagraph (C) of paragraph (1) of
13 subdivision (b), this section shall not apply to the seizure of any
14 property as a result of a jeopardy-assessment *determination*.

15 SEC. 10. Section 50156.12 of the Revenue and Taxation Code
16 is amended to read:

17 50156.12. (a) The board shall release any levy or notice to
18 withhold issued pursuant to this part on any property in the event
19 that the expense of the sale process exceeds the liability for which
20 the levy is made.

21 (b) (1) (A) The Taxpayers’ Rights Advocate may order the
22 release of any levy or notice to withhold issued pursuant to this
23 part or, within 90 days from the receipt of funds pursuant to a levy
24 or notice to withhold, order the return of any amount up to two
25 thousand three hundred dollars (\$2,300) of moneys received, upon
26 his or her finding that the levy or notice to withhold threatens the
27 health or welfare of the feepayer or his or her spouse and
28 dependents or family.

29 (B) The amount the Taxpayers’ Rights Advocate may release
30 or return to each taxpayer subject to a levy or notice to withhold,
31 is limited to two thousand three hundred dollars (\$2,300), or the
32 adjusted amount as specified in paragraph (2), in any monthly
33 period.

34 (C) ~~Notwithstanding subdivision (d), the~~ The Taxpayers’ Rights
35 Advocate may order amounts returned in the case of a seizure of
36 property as a result of a jeopardy-assessment *determination*, subject
37 to the amounts set or adjusted pursuant to this section *and if the*
38 *ultimate collection of the amount due is no longer in jeopardy.*

1 (2) (A) The board shall adjust the
2 two-thousand-three-hundred-dollar (\$2,300) amount specified in
3 paragraph (1) as follows:

4 (i) On or before March 1, 2016, and on or before March 1 each
5 year thereafter, the board shall multiply the amount applicable for
6 the current fiscal year by the inflation factor adjustment calculated
7 based on the percentage change in the Consumer Price Index, as
8 recorded by the California Department of Industrial Relations for
9 the most recent year available, and the formula set forth in
10 paragraph (2) of subdivision (h) of Section 17041. The resulting
11 amount will be the applicable amount for the succeeding fiscal
12 year only when the applicable amount computed is equal to or
13 exceeds a new operative threshold, as defined in subparagraph
14 (B).

15 (ii) When the applicable amount equals or exceeds an operative
16 threshold specified in subparagraph (B), the resulting applicable
17 amount, rounded to the nearest multiple of one hundred dollars
18 (\$100), shall be operative for purposes of paragraph (1) beginning
19 July 1 of the succeeding fiscal year.

20 (B) For purposes of this paragraph, “operative threshold” means
21 an amount that exceeds by at least one hundred dollars (\$100) the
22 greater of either the amount specified in paragraph (1) or the
23 amount computed pursuant to subparagraph (A) as the operative
24 adjustment to the amount specified in paragraph (1).

25 (c) The board shall not sell any seized property until it has first
26 notified the fee payer in writing of the exemptions from levy under
27 Chapter 4 (commencing with Section 703.010) of Division 2 of
28 Title 9 of Part 2 of the Code of Civil Procedure.

29 (d) Except as provided in subparagraph (C) of paragraph (1) of
30 subdivision (b), this section shall not apply to the seizure of any
31 property as a result of a jeopardy-assessment *determination*.

32 SEC. 11. Section 55333 of the Revenue and Taxation Code is
33 amended to read:

34 55333. (a) The board shall release any levy or notice to
35 withhold issued pursuant to this part on any property in the event
36 that the expense of the sale process exceeds the liability for which
37 the levy is made.

38 (b) (1) (A) The Taxpayers’ Rights Advocate may order the
39 release of any levy or notice to withhold upon his or her finding
40 that the levy or notice to withhold issued pursuant to this part or,

1 within 90 days from the receipt of funds pursuant to a levy or
2 notice to withhold, order the return of any amount up to two
3 thousand three hundred dollars (\$2,300) of moneys received,
4 threatens the health or welfare of the taxpayer or his or her spouse
5 and dependents or family.

6 (B) The amount the Taxpayers' Rights Advocate may release
7 or return to each taxpayer subject to a levy or notice to withhold,
8 is limited to two thousand three hundred dollars (\$2,300), or the
9 adjusted amount as specified in paragraph (2), in any monthly
10 period.

11 ~~(C) Notwithstanding subdivision (d), the~~ Taxpayers' Rights
12 Advocate may order amounts returned in the case of a seizure of
13 property as a result of a jeopardy ~~assessment~~ *determination*, subject
14 to the amounts set or adjusted pursuant to this section *and if the*
15 *ultimate collection of the amount due is no longer in jeopardy.*

16 (2) (A) The board shall adjust the
17 two-thousand-three-hundred-dollar (\$2,300) amount specified in
18 paragraph (1) as follows:

19 (i) On or before March 1, 2016, and on or before March 1 each
20 year thereafter, the board shall multiply the amount applicable for
21 the current fiscal year by the inflation factor adjustment calculated
22 based on the percentage change in the Consumer Price Index, as
23 recorded by the California Department of Industrial Relations for
24 the most recent year available, and the formula set forth in
25 paragraph (2) of subdivision (h) of Section 17041. The resulting
26 amount will be the applicable amount for the succeeding fiscal
27 year only when the applicable amount computed is equal to or
28 exceeds a new operative threshold, as defined in subparagraph
29 (B).

30 (ii) When the applicable amount equals or exceeds an operative
31 threshold specified in subparagraph (B), the resulting applicable
32 amount, rounded to the nearest multiple of one hundred dollars
33 (\$100), shall be operative for purposes of paragraph (1) beginning
34 July 1 of the succeeding fiscal year.

35 (B) For purposes of this paragraph, "operative threshold" means
36 an amount that exceeds by at least one hundred dollars (\$100) the
37 greater of either the amount specified in paragraph (1) or the
38 amount computed pursuant to subparagraph (A) as the operative
39 adjustment to the amount specified in paragraph (1).

1 (c) The board shall not sell any seized property until it has first
2 notified the taxpayer in writing of the exemptions from levy under
3 Chapter 4 (commencing with Section 703.010) of Division 2 of
4 Title 9 of Part 2 of the Code of Civil Procedure.

5 (d) Except as provided in subparagraph (C) of paragraph (1) of
6 subdivision (b), this section shall not apply to the seizure of any
7 property as a result of a jeopardy-assessment *determination*.

8 SEC. 12. Section 60632 of the Revenue and Taxation Code is
9 amended to read:

10 60632. (a) The board shall release any levy or notice to
11 withhold issued pursuant to this part on any property in the event
12 the expense of the sale process exceeds the liability for which the
13 levy is made.

14 (b) (1) (A) The Taxpayers' Rights Advocate may order the
15 release of any levy or notice to withhold issued pursuant to this
16 part, or within 90 days from the receipt of the funds pursuant to a
17 levy or notice to withhold may order the return of any amount up
18 to two thousand three hundred dollars (\$2,300) of moneys received,
19 upon his or her finding that the levy or notice to withhold threatens
20 the health or welfare of the taxpayer or his or her spouse or
21 dependents.

22 (B) The amount the Taxpayers' Rights Advocate may release
23 or return to each taxpayer subject to a levy or notice to withhold,
24 is limited to two thousand three hundred dollars (\$2,300), or the
25 adjusted amount as specified in paragraph (2), in any monthly
26 period.

27 ~~(C) Notwithstanding subdivision (d), the~~ The Taxpayers' Rights
28 Advocate may order amounts returned in the case of a seizure of
29 property as a result of a jeopardy-assessment *determination*, subject
30 to the amounts set or adjusted pursuant to this section *and if the*
31 *ultimate collection of the amount due is no longer in jeopardy*.

32 (2) (A) The board shall adjust the
33 two-thousand-three-hundred-dollar (\$2,300) amount specified in
34 paragraph (1) as follows:

35 (i) On or before March 1, 2016, and on or before March 1 each
36 year thereafter, the board shall multiply the amount applicable for
37 the current fiscal year by the inflation factor adjustment calculated
38 based on the percentage change in the Consumer Price Index, as
39 recorded by the California Department of Industrial Relations for
40 the most recent year available, and the formula set forth in

1 paragraph (2) of subdivision (h) of Section 17041. The resulting
2 amount will be the applicable amount for the succeeding fiscal
3 year only when the applicable amount computed is equal to or
4 exceeds a new operative threshold, as defined in subparagraph
5 (B).

6 (ii) When the applicable amount equals or exceeds an operative
7 threshold specified in subparagraph (B), the resulting applicable
8 amount, rounded to the nearest multiple of one hundred dollars
9 (\$100), shall be operative for purposes of paragraph (1) beginning
10 July 1 of the succeeding fiscal year.

11 (B) For purposes of this paragraph, “operative threshold” means
12 an amount that exceeds by at least one hundred dollars (\$100) the
13 greater of either the amount specified in paragraph (1) or the
14 amount computed pursuant to subparagraph (A) as the operative
15 adjustment to the amount specified in paragraph (1).

16 (c) The board shall not sell any seized property until it has first
17 notified the taxpayer in writing of the exemptions from levy under
18 Chapter 4 (commencing with Section 703.010) of Title 9 of the
19 Code of Civil Procedure.

20 (d) Except as provided in subparagraph (C) of paragraph (1) of
21 subdivision (b), this section shall not apply to the seizure of any
22 property as a result of a jeopardy ~~assessment~~ *determination*.